

PINELLAS PLANT

WORKFORCE RESTRUCTURING

PLAN



May 27, 1994

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FORWARD

Recent global political changes present the United States with an opportunity to reduce the Nation's reliance on nuclear weapons. The Department of Energy (DOE) has decided to use this opportunity to reduce the ongoing costs of operating non-nuclear facilities that make components for the Nation's Nuclear Weapons Complex. On September 8, 1993, the Secretary of Energy signed a Finding of No Significant Impact for a plan that includes termination of Defense Programs (DP) production activities at the Pinellas Plant in Largo, Florida. The plant is managed and operated by Martin Marietta Specialty Components, Inc. (Specialty Components) for the DOE.

In Section 3161 of the FY 1993 National Defense Authorization Act, Congress provided objectives to minimize the social and economic impact of the decision to terminate production operations on employees and local communities, while retaining the employees required to successfully complete the DOE mission. DOE has developed three plans to ensure effective implementation of the Section 3161 guidelines:

- This Workforce Restructuring Plan addresses actions DOE will take to minimize the impact on displaced workers, including actions to retrain workers for new jobs within or outside DOE.
- A separate Pinellas Economic Development Plan addresses actions DOE will fund and support to minimize the impact on the surrounding communities.
- A previously approved Training Plan for Workforce Restructuring provides opportunities for employees to prepare for future jobs at other DOE sites, outside the DOE complex, or in the new businesses envisioned by the Economic Development Plan.

DOE has developed these plans as separate documents to allow community stakeholders more control of economic development planning, while keeping DOE responsible for activities that support workforce transition. The approved Training Plan supports both Workforce Restructuring and Economic Development, making it more convenient to manage the Training Plan as a stand alone document.

DOE has involved stakeholders in development of the Workforce Restructuring Plan, the Economic Development Plan and the Training Plan. DOE has incorporated stakeholder suggestions to the maximum extent practical.

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EXECUTIVE SUMMARY

The Pinellas Plant Workforce Restructuring Plan documents decisions and outlines actions to ensure fair treatment of separated employees. DOE will revise the plan annually.

The plan explains the basis for the workforce restructuring process, the activities that the plant will pursue, and the benefits Pinellas will provide to employees. This initial plan covers workforce reductions and costs for FY 1994 and FY 1995. DOE will address workforce reductions for FY 1996 and beyond in subsequent plan revisions.

The Pinellas Plant contract includes provisions for employee benefits in the case of a plant closing. The contract benefits negotiated for plant closing were designed to mitigate the impact on employees and ensure employees remain for mission completion by offering service-based plant closing severance pay.

DOE concludes changes to these benefits that would substantially increase the cost to the taxpayer are not appropriate. Even so, employees and other stakeholders provided a number of suggestions to the February 1994 draft Workforce Restructuring Plan that DOE incorporated into this current plan.

As a result of these suggestions, DOE has already extended the July 1, 1994 deadline for eligibility of the Special Early Retirement Option (SERO,) the Plant Closing Pension Option (PCPO,) and the Special Supplement for retirement. Specialty Components employees will remain eligible for these options until September 30, 1997, the end of the M&O contract. DOE will also extend eligibility for SERO, PCPO and Special Supplement to qualified employees still employed in the DOE mission after the end of the M&O contract until the end of their DOE employment at Pinellas. Such employees will continue to accrue service credit for purposes of qualifying for SERO, PCPO and Special Supplement.

DOE and Specialty Components have already modified the contract to allow the tuition reimbursement provisions and related benefits specified in the Training Plan.

To provide some of the provisions and benefits listed in this plan, DOE intends to further modify the contract as follows:

- Provide options concerning extension of severance for Specialty Components employees who accept offers from Specialty Components new business initiatives. These options are described in Section 6.1.

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- Extend early retirement options to Specialty Components employees who accept offers from Specialty Components new business initiatives and are subsequently separated for lack of work. An explanation of these benefits is provided in Section 6.2.

Additionally, DOE clarified the following aspects of the Plan in response to stakeholder comments:

- Retraining tuition reimbursement limits and exceptions in Section 3.5.
- Preferential hiring practices for Pinellas employees in Section 4.
- Voluntary reduction-in-force programs in Section 5.3.
- Involuntary reduction-in-force programs in Section 5.4.
- Eligibility for benefits in Section 6.
- Severance pay provisions in Section 6.1.
- Early retirement pension offsets in Section 6.2
- Medical insurance provisions in Section 6.4.

Appendix A of this plan provides the Pinellas Training Plan to Support Workforce Restructuring. The Training Plan includes all elements of the Congressional and internal DOE guidance, as well as lessons learned from a previous reduction in force.

Appendix B summarizes activities and costs to date of the Training Plan.

Appendix C provides Specialty Components' Standard Operating Procedure for voluntary reduction-in-force.

DOE will implement the involuntary separations described in this plan once the separations have been authorized by the Secretary of Energy and the plan has been submitted to Congress. All other elements of this Workforce Restructuring Plan take effect immediately after proper approvals and modifications to contracts and/or changes to benefit plan documents, and after approval by the Secretary.

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1. INTRODUCTION

General Electric Company started construction of the Pinellas Plant in 1956. The Atomic Energy Commission (predecessor to DOE) purchased the plant in 1957 and contracted with General Electric to produce neutron generators and other components. General Electric operated the facility through May 1992, when Martin Marietta Specialty Components, Inc. (Specialty Components) became the M&O Contractor. Albuquerque Operations Office (AL) manages the Pinellas Plant contract, with Administrative Contracting Office functions assigned to the Pinellas Area Office (PAO).

Pinellas Plant is located in Pinellas County, Florida, centrally located on the Gulf coast and the most densely populated of Florida's 68 counties. Pinellas Plant also has an economic impact on adjacent Hillsborough and Pasco Counties, which are within commuting distance. The Pinellas Plant workforce currently includes about 1,140 Specialty Components employees, 40 full-time employees working for other on-going contractors, and 30 Federal employees.

Defense Programs (DP) production at Pinellas will end in September 1994. Pinellas will retain several hundred employees to manage the shut down facility, pending identification of other uses. In addition, activities to place the facility in a safe condition, and to assist with transfer of production capability to other sites will employ several hundred individuals for about one year. A small Environmental Restoration mission will continue for a few years. As a result, termination of production operations at Pinellas will impact a majority of the workforce over a two to three year period.

Pinellas Plant is aggressively pursuing alternate use opportunities that may provide employment for a number of employees that would otherwise be displaced. The alternate use initiatives are addressed in the Pinellas Economic Development Plan, which addresses activities that minimize the adverse economic and social impact on affected communities.

This Workforce Restructuring Plan, the Training Plan to Support Workforce Restructuring, and the Economic Development Plan comprise the Department of Energy's worker and community transition program for Pinellas.

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1.1 Purpose of the Workforce Restructuring Plan

The plan's objectives are to:

- a. Ensure programs are in place to cushion the adverse economic impact on employees affected by reduction in force.
- b. Ensure programs are in place to provide retraining opportunities for affected employees.
- c. Ensure programs are in place to retain employees required to successfully complete the DOE missions.

1.2 Workforce Restructuring Plan strategies

The strategies of this Workforce Restructuring Plan are to:

- a. Establish and maintain stakeholder involvement in decision making and planning.
- b. Implement retraining plans to better prepare employees to seek new jobs within and outside DOE.
- c. Provide preferential hiring to personnel laid off from Pinellas Plant at other DOE sites, and to personnel laid off from other DOE sites when Pinellas is hiring for DOE mission activities.
- d. Minimize involuntary reductions through early retirement, transfers, voluntary reductions, job redefinition and attrition.
- e. Retain the critical skills required to successfully complete the DOE missions.
- f. Provide out-placement assistance to expedite reemployment.

2. STAKEHOLDER INVOLVEMENT

DOE is working closely with the public, the employees and government agencies to minimize the adverse impact of the decision to terminate production operations at Pinellas.

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2.1 Public participation

Tampa Bay regional representatives have formed a Community Reuse Organization, which includes an Advisory Committee and the Tampa Bay Defense Transition Task Force, to participate in policy decisions, planning activities and execution of initiatives to reduce the impact of the Pinellas Plant transition. The Advisory Committee and Task Force include members representing local Governments, business leaders, State universities, chambers of commerce, economic development councils, special interest groups, and local school systems. The Advisory Committee is responsible for policy decisions regarding the Pinellas Economic Development Plan, while the Task Force is responsible for execution of the small business development aspects of this plan.

In addition, the Advisory Committee has reviewed employee comments on the Workforce Restructuring Plan, and has commented on portions of the plan that impact economic development or alternate use initiatives. DOE has addressed the Advisory Committee comments through revision of both the Workforce Restructuring Plan and the Pinellas Economic Development Plan.

2.2 Workforce

More than 100 Pinellas Plant employees volunteered to participate on the Employee Facility Conversion Team. The Conversion Team includes representatives from Specialty Components and several other contractors, including Suncoast Federal Credit Union, Morrison's Cafeteria, and the New Directions in Learning day care center. The Conversion Team's responsibilities include:

- a. Representing employees as a member of the Community Reuse Organization.
- b. Assisting in the identification of alternate uses for the facility, the technology and the products.
- c. Providing comments on the Economic Development Plan developed by the Community Reuse Organization.
- d. Recommending the kinds of assistance and the timing needed to enhance a smooth transition to other job opportunities.
- e. Providing comments on the Workforce Restructuring Plan, including separation benefits as well as educational, training, and job placement programs.

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- f. Providing feedback and progress reports to employees on the Economic Development Plan, the Workforce Restructuring Plan, and other subjects.

The Conversion Team coordinated an employee review of the Workforce Restructuring Plan that resulted in 411 responses containing about 700 suggestions and questions. DOE incorporated as many of the suggestions as practical and responded to the employees on other suggestions and questions.

2.3 M&O Contractor

DOE obtained input from Specialty Components for initial draft of the Workforce Restructuring Plan, and requested a Specialty Components evaluation of employee comments to identify potential legal, contractual or corporate concerns, and to provide costs for some suggestions. DOE considered Specialty Components' input in preparation of the final Plan.

2.4 Government

The Advisory Committee and the Tampa Bay Defense Transition Task Force are responsible for representing the local communities. In addition, DOE communicates regularly with the Environmental Protection Agency, Region IV, and the Florida Department of Environmental Protection to ensure Plant regulators are informed of the rapidly changing situation.

2.5 Requirements for a Workforce Restructuring Plan

Public Law 102-484, Section 3161 of the Fiscal Year 1993 National Defense Authorization Act requires DOE to develop plans for restructuring the workforce at facilities affected by the decline in nuclear weapons production. DOE must notify stakeholders at least 120 days before implementation of a workforce restructuring action, and submit specific site plans to Congress at least 30 days before an involuntary reduction.

DOE notified the Pinellas employees and community on December 14, 1993 that the restructuring process had begun, marking the beginning of the required 120-day notice.

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3. TRAINING AND RETRAINING

DOE granted early approval of a Pinellas Training Plan to Support Workforce Restructuring in December 1993. DOE and Specialty Components modified the Pinellas contract to authorize retraining initiatives to start. A copy of the approved Training Plan is provided in Appendix A.

The Training Plan is designed to assist Pinellas Plant employees in the transition from production jobs to other opportunities within the plant, and other career alternatives in the community. The Training Plan uses a balanced approach, depending heavily on in-house, university, community college, and vocational training resources. The Training Plan is designed to support the common needs of the following target populations:

- a. Individuals who will perform environmental management work on site.
- b. Individuals who will perform environmental management work within the Complex.
- c. Individuals who will work within DOE on other missions.
- d. Individuals who will work outside of DOE.

3.1 Environmental Management work

Even though the Environmental Management mission at Pinellas is limited to small restoration projects and waste disposal, a small number of employees will need to be retrained to complete these tasks. Pinellas will provide training and education support for current employees with a desire to prepare for positions like Environmental Technicians, Health Physics Aides, and Facility/Maintenance Specialists. The Training Plan provides the following types of services:

- a. Counseling and aptitude assessment addressing Environmental Management.
- b. Tuition refund enhancement to support Environmental Management degree programs.
- c. On the job training to facilitate internal transfers to new positions.

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DOE recognizes these training initiatives will prepare individuals for a short-term mission at Pinellas, but believes a number of these individuals will eventually fill critical Environmental Management positions at DOE sites with long term clean up activities.

Pinellas is already working with St. Petersburg Jr. College to establish an Associate Degree Program in Environmental Science, and with the University of South Florida to establish an undergraduate and graduate level environmental program.

3.2 Other work at site

Excluding weapons production and Environmental Management, other work at Pinellas Plant is limited to landlord activities, safe shut down of the facility and new business initiatives. DOE will keep the existing workforce intact to complete the safe shut down mission, since safe shut down is simply the last step of the weapons production mission.

The Pinellas Economic Development Plan is designed to optimize the chance of success for continued operation at Pinellas after completion of the DOE mission. The Economic Development Plan emphasizes providing opportunities, first for current and former Pinellas Plant employees, and then for other members of the community.

3.3 Work at other DOE sites

Receiver sites in the nonnuclear reconfiguration program expect to offer positions to about 120 Pinellas Plant employees with critical job skills. Since these individuals are already qualified for the positions, retraining programs are not necessary. Pinellas will continue job skills training to keep qualifications current for the employees with critical skills, where critical skills are as defined in the DOE Non-Nuclear Reconfiguration Program.

Other than the reconfiguration program, DOE does not anticipate the availability of a large number of jobs at DOE contractors due to the rapid downsizing of the nuclear weapons facilities. Even so, Pinellas is working closely with other DOE sites to identify available opportunities, and will aggressively develop programs to ensure employees are prepared for these opportunities.

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3.4 Other work not with DOE

The approved Training Plan includes performance of a market analysis, a business requirements analysis, and individual needs assessment to help determine potential career opportunities in the local community and industry. Pinellas will use the data from these analyses to develop retraining programs so individuals can obtain skills that are in demand.

The Pinellas Economic Development Plan includes a number of initiatives to create an environment conducive to successful entrepreneurial development. The Economic Development Plan also includes training on how to start a new business and assistance for new business starts. The programs are available to current Pinellas employees as well as to community stakeholders.

3.5 Retraining expense reimbursement

To prepare employees affected by workforce restructuring for other work, DOE authorizes up to \$5,000 per employee for expenses related to skill development, high school diploma, or college degree programs. Employees are eligible to use this funding for courses started after September 8, 1993 and completed within three years after separation for plant closing. Pinellas is authorized to increase the \$5,000 limit or extend the three year time limit under reasonable circumstances. Employees may accept alternate employment for minimal financial support (work paying less than 80% of their previous wage) and remain eligible for reimbursement of educational expenses. DOE will reimburse employees for individual courses in progress at the time of equivalent reemployment.

3.6 Activities to date

A summary of activities implemented and funding sources pursued under the approved training plan and expenditures to date are provided in Appendix B.

4. PREFERENTIAL HIRING

With substantial workforce reductions planned over the next several years, Pinellas Plant will not fill many jobs. When hiring for DOE mission activities, Pinellas will give first consideration to all qualified Pinellas employees (including other contractors) who have been laid off as a result of plant closing.

If there are no qualified Pinellas Plant employees on layoff, Pinellas will extend priority consideration to qualified employees on layoff from other DOE sites.

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4.1 Other contractors on site

Specialty Components is the only prime contractor at Pinellas Plant. Other on-going contractors at the site provide cafeteria, credit union, day care and administrative support services. Pinellas retains contractors who provide technical services, such as analysis, architecture and engineering, and construction, on a task basis. Since most contracted activities will diminish with the end of weapons production, these contractors are not likely to provide employment for displaced Pinellas employees.

4.2 Other DOE sites

Receiver sites in the nonnuclear reconfiguration program expect to offer positions to about 120 Pinellas Plant employees with critical job skills. Pinellas will identify individuals eligible for these positions before initiating voluntary or involuntary reductions. Pinellas and the receiver sites will negotiate transfer dates that consider DOE mission requirements at both sites.

To assist employees in identifying other employment opportunities throughout the weapons complex, DOE is developing a recruiting network to facilitate exchange of information regarding open positions. In addition, Specialty Components is working with other Martin Marietta locations to place employees and will provide enhanced access to job postings at those sites.

As Management and Operating Contractor for both Pinellas and Sandia National Laboratory, Martin Marietta Corporation is developing an internal initiative to offer transfers to current Pinellas employees who are qualified for vacant positions at Sandia. Martin Marietta anticipates offering about 50 positions to employees who do not meet the critical skills criteria of the Reconfiguration Program, but are needed for work at Sandia.

4.3 New business initiatives

The Pinellas Economic Development Plan emphasizes retaining current product lines through development of commercial ventures, attracting existing business with the available technology, and creating new business to complement these core activities. The Economic Development Plan allows the community to provide incentives for Pinellas employees to accept jobs in the new ventures, and to provide incentives for the new businesses to hire displaced Pinellas employees.

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4.4 Job restructuring

The nature of the work at Pinellas will change rapidly during the transition from weapons production to production shut down, and eventually to environmental restoration. Pinellas is aggressively pursuing changes to job structures to provide as much flexibility as possible for existing employees to move into new positions. If not successful, this initiative may not provide career length employment for many individuals, but may allow some employees to reach retirement age and allow others time to find alternate employment.

In addition, on March 30, 1994, DOE authorized Specialty Components to use Pinellas resources for commercial activities on a full cost recovery basis. If successful in obtaining new business, Specialty Components will offer positions in new business to some employees at the end of the employees' DOE mission. Specialty Components estimates about 100 employees will convert to new business activities in FY 1994 and FY 1995.

5. WORKFORCE PLANNING

The Pinellas Plant completed a reduction-in-force of 434 employees and 40 subcontract personnel in December 1992 using a combined voluntary/involuntary layoff. The reduction-in-force reduced the employment level of Specialty Components from 1,577 to 1,143. Subsequent attrition reduced Specialty Components employment levels to 1,110 by the end of FY 1993. Specialty Components later increased employment to 1,144 in January 1994 to meet DOE requirements for accelerated production schedules, reconfiguration and alternate use initiatives. Specialty Components employment, as of March 25, 1994 totals 1,132. The following table provides a profile of the population.

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Table 1. Age and Years of Service Matrix as of 03/25/94

| Martin Marietta Specialty Components | | | | | | | | |
|--------------------------------------|-----|-----|-------|-------|-------|-------|------------|-------|
| Service | 0-4 | 5-9 | 10-14 | 15-19 | 20-24 | 25-29 | 30 or More | TOTAL |
| Age | | | | | | | | |
| Under 24 | 9 | 0 | 0 | 0 | 0 | 0 | 0 | 9 |
| 25-34 | 43 | 42 | 37 | 0 | 0 | 0 | 0 | 122 |
| 35-39 | 27 | 30 | 93 | 44 | 2 | 0 | 0 | 196 |
| 40-44 | 5 | 11 | 78 | 70 | 30 | 0 | 0 | 194 |
| 45-49 | 8 | 18 | 57 | 52 | 39 | 28 | 0 | 202 |
| 50-54 | 7 | 15 | 42 | 54 | 20 | 39 | 23 | 200 |
| 55-59 | 2 | 4 | 36 | 29 | 8 | 23 | 38 | 140 |
| 60-64 | 18 | 0 | 13 | 6 | 6 | 0 | 7 | 50 |
| 65 and older | 15 | 2 | 0 | 1 | 0 | 1 | 0 | 19 |
| | 134 | 122 | 356 | 256 | 105 | 91 | 68 | 1,132 |

5.1 Retention of skills for completion of DOE mission

DOE is committed to successful completion of its missions at Pinellas Plant and has established certain priorities. The priorities are:

- a. safe and legally compliant operations;
- b. Defense Programs production;
- c. transfer of production capability to receiver sites;
- d. transfer from Defense Programs to Environmental Management landlord;
- e. alternate use initiatives; and
- f. technology transfer.

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To meet these objectives, Specialty Components must retain critical personnel and appropriate staffing levels, and ensure employees perform as a productive team. With the plant closing benefits provided in the Pinellas contract, DOE believes a sufficient number of long service employees will elect to stay until their jobs are eliminated. In addition, the approved Training Plan allows reimbursement for courses and programs for employees to obtain skills needed for new jobs while completing the DOE mission, improving the chance these employees will elect to stay until their jobs are eliminated.

5.2 Restructuring plans

Pinellas Plant is authorized to reduce the workforce by 200-600 employees during FY 1994-95. Workforce reductions during that period will be in the lower part of this range if the proposed FY 1995 budget stays at current levels or increases, and if economic development efforts are successful. Workforce reductions during this period will be in the higher part of this range if the proposed budget is decreased, and if economic development efforts are not successful. Further reductions may be necessary after FY 1995. Pinellas will identify the extent of any future reductions in annual revisions of this Plan.

Pinellas estimates approximately 100 employees will separate through attrition or transfer to other DOE or Martin Marietta Corporation sites in FY 1994. Pinellas will attempt to complete arrangements for transfers before initiating voluntary reductions. Pinellas will conduct voluntary reductions-in-force, where DOE mission is not sacrificed, before initiating involuntary reductions.

Pinellas anticipates few, if any, reductions in FY 1994 and FY 1995 for Federal employees. Pinellas does not expect a reduction in employment levels for other on-going contractors for FY 1994. Employment levels for other on-going contractors may or may not be reduced in FY 1995, depending on circumstances (e.g. enrollment levels for day care center, merger of credit union, etc...).

In order to ease the hardships of transition, Pinellas will also take steps necessary to ensure that the partnership school and day care center remain open to all plant employees. Pinellas will seek to modify existing agreements to make these services available to all current and future plant employees, including employees of new businesses established at the plant and employees separated as a result of workforce restructuring.

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5.3 Voluntary reduction-in-force programs

Pinellas will provide employees an opportunity to volunteer for separation or early retirement, reducing the need for involuntary separations. Specialty Components volunteers will be eligible for the same plant closing benefits provided to employees who leave involuntarily, as described in Section 6. Specialty Components will follow these principles during voluntary reductions:

- a. Provide volunteer opportunities to as many employees as possible without impacting the completion of the DOE mission.
- b. Identify and communicate, in advance, where practical, critical positions that are not eligible for elimination in FY 1994-95. Employees occupying these positions will not be eligible to volunteer unless an internal replacement can be found.
- c. Negotiate release dates, whenever possible, that are mutually agreeable to Specialty Components and employees, within a "prescribed notice period." Such prescribed notice period shall normally be a minimum of 60 calendar days before separation, or 13 weeks for some categories of employees, as described in Specialty Components General Operating Policy on Employee Reduction-in-force Due to Workforce Restructuring. Exceptions to these minimums will be made if:
 - Pinellas has insufficient work to continue employment for the prescribed notice period. In this case, Pinellas will provide pay for 60 calendar days or 13 weeks (whichever is applicable) from the date the employee was informed of the separation date
 - the employee wishes to separate in less than the prescribed notice period and is able to do so without impacting the DOE mission. In this case Pinellas will provide pay until the last day worked.
- d. Follow voluntary separation guidelines established by Specialty Components with input from a cross-functional team of representatives. These guidelines are provided in Appendix C and will only be amended with Specialty Components and DOE concurrence.
- e. Implement involuntary reductions-in-force only when voluntary reductions fail to eliminate the number of positions necessary.

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5.4 Involuntary reduction-in-force programs

Specialty Components will schedule involuntary reductions to coincide with the end of each task eliminated. Due to the phased shut down of production activities, Pinellas may have to complete involuntary reductions in one area of the plant before voluntary reductions occur in another area. Pinellas will not schedule involuntary reductions for the period between November 11 and December 31 of each year.

Employees who are involuntarily separated will receive 60 calendar days of pay or 13 weeks of pay (whichever is applicable) in lieu of notice.

Employees who accept offers from Specialty Components new business will, in some cases, have certain benefits extended, as explained in Sections 6.1, 6.2 and 6.4 of this plan. Such employees, however, once transferred to their new assignment, have separated from the DOE mission. They will therefore, no longer be subject to the involuntary reduction-in-force provisions of this plan and of Section 3161 of the FY 1993 National Defense Authorization Act.

6. BENEFITS

This Section summarizes and explains benefits that will be provided to Specialty Components employees. Any planned changes to benefits are contingent upon proper DOE and Martin Marietta approvals and contract modifications. Such proposed changes have been noted in the Workforce Restructuring Plan. Should there be any conflict with the wording or interpretation of unchanged benefits listed in this section, the wording and established interpretation of the M&O contract and Employee Benefits Plan documents, as amended, take precedence.

Pinellas Plant will pay benefits for separated employees in accordance with the M&O contract DE-AC04-92AL73000, Appendix A, including any DOE approved modifications, and current Specialty Components policies and Benefit Plans. DOE and Specialty Components will modify the contract, as required, to provide any new benefits in this plan.

Employees still working on DOE missions will remain eligible for plant closing benefits even after subsequent award to Specialty Components of work under subcontract with other government contractors or for commercial customers.

The provisions of this section are applicable only to Specialty Components employees. Other Pinellas Plant employers will provide separation benefits in accordance with their established policies.

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DOE seeks to modify the contract to clarify the following eligibility criteria:

Specialty Components Employees Eligible for Full Plant Closing Benefits:

- Employees hired on or before September 8, 1993, the date the Secretary of Energy signed the Finding of No Significant Impact, who are laid off or separated because of termination of DOE mission activities, and are not restricted by any of the criteria listed below for partial or non-eligibility.
- Employees eligible as described above who relocate to other DOE facilities, after completion of their DOE mission, without recognition of service and transfer of pension and other benefit eligibility.

Specialty Components Employees Eligible for Partial Plant Closing Benefits:

- Employees who transfer to Specialty Components new business initiatives at the Pinellas Plant and who are laid off by the new business are eligible for plant closing severance pay, as described in Section 6.1, or pension benefits as described in Section 6.2.

Specialty Components Employees Not Eligible for Plant Closing Benefits:

- Employees who accept transfer to other Martin Marietta Corporation facilities.
- Critically skilled employees who relocate to other DOE receiver sites as a result of nonnuclear reconfiguration.
- Employees hired or transferred in from other Martin Marietta sites after September 8, 1993. These employees are eligible for normal layoff benefits.
- Employees who resign prior to the end of their DOE mission or are involuntarily separated for cause (e.g. poor performance or misconduct.)
- Employees who transfer to Specialty Components new business initiatives at the Pinellas Plant who have either a) elected to waive eligibility for remaining plant closing benefits (by selecting option 2 in Section 6.1), or b) elected option 3 in Section 6.1 and are not laid off by the new business.

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6.1 Severance pay

Severance pay for all employees is calculated based on current salary and years of service. Employees with two or more years of continuous service are eligible to receive severance pay. There is no cap placed on the number of years for which an employee can be compensated.

Plant closing severance provides one and one-half weeks of pay for each year of service for those employees with two or more years and less than 15 years of continuous service. For employees with 15 or more years of continuous service, the benefit is increased to two weeks of pay for each year of service. Partial payments are made for each additional quarter. Layoff severance pay (for employees not eligible for plant closing) provides one week of pay for each year of service for employees with two or more years of service. All employees eligible for severance pay will receive a minimum of four weeks of pay.

Under economic development initiatives, Pinellas seeks to transfer technology and jobs to private sector use at the plant. As part of this effort, Specialty Components will develop new business initiatives at the plant that will result in some employees initially working on new business and the DOE mission while still being employed under the M&O contract. During early stages of this effort, such employees will continue to be employed under the M&O contract with appropriate costs for time spent on new business refunded to DOE. As new business initiatives begin to succeed, Specialty Components will offer some employees the opportunity to transfer to the new business and cease employment under the M&O contract. Thereafter, Specialty Components will charge DOE for any mission work performed by those employees.

Employees who transfer to Specialty Components new business initiatives at the Pinellas Plant would normally waive plant closing severance pay. Since many employees view the new business initiative as an uncertain employment option, employees may be inclined to select other employment options to ensure they receive severance pay. To encourage employees to accept offers from Specialty Components new business, DOE seeks to modify the contract to provide separated employees with three options:

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- 1) Employees may turn down the offer from Specialty Components new business and receive the full amount of severance pay for which they are eligible. In this case, employees would not be eligible for rehire by Specialty Components new business for six months and would not receive preferential hiring. If hired, they would start as new employees for general benefits purposes. Pension benefits will be reinstated in accordance with Employee Retirement Income Securities Act (ERISA) regulations and Specialty Components new business pension plan rules in effect at the time of reemployment.
- 2) Employees may accept the offer from Specialty Components new business and receive 60% of the full amount of severance pay for which they are eligible, provided the employee does not voluntarily separate from the new business within one year. In this case, the employee waives eligibility for all remaining plant closing or layoff benefits (including SERO/PCPO) upon transfer to the new business. The 60% severance pay will be paid in two increments. Half of the amount will be paid at the completion of six months. The other half will be paid at the completion of the year. Should Specialty Components lay off an employee before the end of one year, the balance of the 60% payment will be provided at separation.
- 3) Employee may accept the offer from Specialty Components new business and retain eligibility for severance pay according to the schedule in Table 2.

Table 2. Percent Amount of Severance Pay

| Time of Layoff After Transfer to New Business (in Full Months) | Percent Amount of Severance Pay |
|---|--|
| Up to 12 | 100% |
| More than 12 and up to 18 | 75% |
| More than 18 and up to 21 | 50% |
| More than 21 and up to 24 | 25% |
| More than 24 | 0 |

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Severance pay will be based on the employee's salary on the date of separation from the DOE mission. Employees electing these options upon transfer to the Specialty Components new business waive all remaining eligibility for early retirement. The extension of these severance benefits provides additional incentive for employees to accept positions with the new business, increasing the chance of a successful economic conversion and decreasing the cost to the Government.

6.2 Pension

Employees age 60 and older are eligible for retirement. When separated for plant closing, these employees will be eligible to retire with unreduced pension benefits as currently provided in the Specialty Components Benefit Plan. In addition, the Pinellas contract provides special early retirement programs and supplements for employees who meet specific age and service requirements. DOE has already modified the Pinellas contract to extend these benefits through September 1997, the full term of the current M&O contract. DOE will extend eligibility for SERO, PCPO and Special Supplement to qualified employees still employed in the DOE mission after the end of the M&O contract until the end of their DOE employment at Pinellas. Such employees will continue to accrue service credit for purposes of qualifying for SERO, PCPO and Special Supplement.

The Special Early Retirement Option (SERO) allows certain employees to retire as early as age 55 with an unreduced pension. Employees are eligible for SERO if they:

- are age 55 through 59 and have at least 25 years of Pension Qualification Service, and
- lose their job because of a layoff, plant closing, work transfer, automation, discontinuation of a product line, or a reduction-in-force of an indefinite duration.

The Plant Closing Pension Option (PCPO) allows certain employees to receive pension benefits as early as age 50 when they lose their jobs because of a plant closing. Employees are eligible if they meet the following age and service requirements:

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Table 3. Age and Service Requirements for PCPO

| At least age . . . * | With PQS of at least . . . ** |
|----------------------|-------------------------------|
| 50 | 25 years |
| 51 | 22 years |
| 52 | 19 years |
| 53 | 16 years |
| 54 | 13 years |
| 55 | 10 years |

- * At the end of the calendar year in which service is terminated because of the plant closing.
- ** The Pension Qualification Service the employee would have had by the end of the calendar year had service not been terminated because of the plant closing.

Employees eligible for both SERO and PCPO may only elect one of the two options.

If eligible for a SERO or PCPO pension, an employee must retire by the first day of the month following separation for plant closing, according to the current contract. Under this provision, and under ERISA, such an employee would be ineligible to continue to receive SERO or PCPO benefits if they take a position with Specialty Components new business.

To encourage economic development and reduce Government costs, DOE seeks to modify the contract to allow employees eligible for SERO, PCPO or Special Supplement to accept an offer from Specialty Components new business and retain eligibility for SERO, PCPO or Special Supplement. Such new business employees would continue to earn service credits in accordance with the new business benefits plans. They would not be eligible to earn additional increases in DOE mission benefits, such as a change from PCPO to SERO after separation from the DOE mission. Continued eligibility for SERO/PCPO ends at retirement age or upon separation from the new business, whichever occurs first. Continued eligibility for Special Supplement ends at age 62 or upon separation from the new business, whichever occurs first.

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A SERO or PCPO pension and accompanying medical benefits reduce or eliminate any layoff or severance benefits (including plant closing severance pay) for which an employee is eligible. Employees who elect to accept an offer from Specialty Components new business and retain eligibility for SERO/PCPO will not be eligible for the severance pay provisions of Section 6.1.

To determine the amount of severance reduction, when applicable, the total cost of the early retirement pension and supplements from date of early retirement until retirement age is calculated. The total cost of medical benefits from date of early retirement until eligibility for Medicare is also calculated. The total value of these amounts is subtracted from the severance amount an employee would otherwise receive upon separation. If the number is greater than zero, the employee receives the remaining balance as severance pay. If the number is zero or less, the employee receives no severance pay.

An employees who retires under SERO or PCPO receives:

- a. Unreduced pension earned up to the date of job loss (the higher of Regular Pension or Guaranteed Pension),
- b. The regular supplement of \$10 a month for each year of Pension Benefit Service (PBS), until eligibility for reduced Social Security benefits at age 62,
- c. A SERO/PCPO supplement of \$225 a month, until eligibility for reduced Social Security benefits at age 62, and
- d. Benefits based on Personal and Voluntary Pension Accounts.

6.3 Out-placement assistance

Pinellas will provide out-placement services to employees and separated employees until they are gainfully reemployed or for up to 12 months, whichever occurs sooner. The out-placement center is available to all Pinellas employees (including on-going contractors and Federal employees,) unless terminated for cause. The out-placement center will provide job search training and individual counseling, skills and interest testing, assistance with preparation of resumes and cover letters, a resource library, interview training, company mailings and job postings, and office and clerical support.

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Additionally, the center will publish a monthly newsletter to advise employees of coming events. The staff will develop and maintain a local market network with companies and search firms and will encourage representatives from these organizations to visit the center. Close contact will be maintained with Specialty Components staffing personnel and other DOE sites to ensure former Pinellas Plant employees are considered for all open jobs for which they are qualified.

The center will be staffed full-time with a center manager. Pinellas will provide professionally trained counselors, job development personnel, and administrative support based on numbers of employees separated and usage of the out-placement center. Pinellas will also seek additional resources from the Pinellas Private Industry Council, the Employee Assistance Program, Job Services of Florida, and financial institutions, to provide financial planning, additional counseling, and other support.

6.4 Medical insurance

Pinellas will continue to provide separating employees with the option of receiving a full physical. Pinellas will also extend medical, dental and vision insurance as described by the M&O contract, and supplemented by the "Secretary's Displaced Workers' Health Benefits Program" (Displaced Workers Program.) The M&O contract extends health insurance benefits for employees laid off during a downsizing or plant closing for up to one year. The Displaced Workers' Program extends health insurance coverage beyond one year.

Employees must be enrolled in the medical plan to be eligible for dental and/or vision insurance.

Year 1 - Coverage continues at no cost for employees who have 3 or more years of continuous service at time of separation. Employees with less than 3 years may continue coverage by paying the normal contribution rate of active employees.

Employees separated from the DOE mission may continue coverage after one year under the Displaced Workers' Program if they are not eligible for medicare or any other employer sponsored group health plan as an employee or a dependent of a working spouse. Coverage may continue indefinitely as long as the conditions above are met.

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Year 2 - Medical coverage continues if employees pay 50% of the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) rate. Dental and vision coverage continue if employees pay the full COBRA rate, for those benefits. (The COBRA rate is approximately the average participant cost of the actual medical plan provided by Specialty Components plus a 2% administrative charge.)

Year 3 and beyond - Medical, dental and vision coverage continue if employees pay the full COBRA rate.

To reduce the economic burden on employees, Pinellas will pursue providing an option for a lower cost medical plan with reduced coverage. Employees will have the opportunity to select coverage at the time of separation, or at the time of plan implementation, whichever comes last. Employees who have separated will not be able to transfer between plan options after selection.

6.5 Other insurance benefits

Other life, accident, and disability insurance coverage may be continued for specific periods as described in the Specialty Components Benefits Guide. Conversion policies are available through the carrier in some cases.

6.6 Relocation

Employees who accept jobs at other DOE sites as a result of separation from the DOE mission at the Pinellas Plant are normally entitled to relocation benefits from their new employer. If employees accept jobs at other DOE sites for up to one year after separation, and do not receive relocation benefits, Pinellas will reimburse actual and reasonable expenses for transportation, movement of household goods, and temporary living accommodations up to \$5,000. Employees who are hired outside of the DOE complex or who elect to retire are not eligible for relocation benefits from Pinellas.

PINELLAS PLANT WORKFORCE RESTRUCTURING PLAN

7. WORKFORCE RESTRUCTURING PLAN SCHEDULES AND COSTS

7.1 Schedule of workforce reductions

Pinellas will implement the voluntary reduction-in-force program for FY 1994 in phases between June 15 and September 30, 1994, using the procedures outlined in Appendix C. Once volunteers have been identified and separation dates established, Pinellas will conduct involuntary reductions-in-force, if necessary. Due to the gradual shutdown of production and decommissioning activities that employees must perform, some FY 1994 separations may be extended into October-November 1994. Pinellas has not yet established schedules for FY 1995 reductions, but they are expected to occur after December 1994.

7.2 Plan costs

Plan costs for FY 1994-95 are based on voluntary and involuntary workforce reduction estimates of 475 employees. The actual number of reductions during that period may vary between 200-600, depending on factors discussed in Section 5.2, Restructuring plans. The 475 estimate is on the high end of the most likely scenario, in order to ensure Pinellas is funded for potential reductions. Table 4 on the next page provides a summary of the total costs of this plan. It is followed by a list of other assumptions used to estimate the costs.

TABLE 4.

PINELLAS PLANT WORKFORCE RESTRUCTURING PLAN COSTS

| | <u>FY 1994</u> | <u>FY 1995</u> | <u>TOTAL</u> | <u>ESTIMATED AVERAGE COSTS PER EMPLOYEE ⁽¹⁾</u> |
|--------------------------------------|---------------------|---------------------|---------------------|--|
| NOTICE PAY | \$298,791 | \$2,187,424 | \$2,486,215 | \$5,234 |
| PLANT CLOSING SEVERANCE | 1,005,728 | 5,559,679 | 6,565,407 | \$13,822 |
| DISPLACED WORKERS MED. BENEFITS PRG. | 359,280 | 3,086,584 | 3,425,864 | 7,212 |
| OUTPLACEMENT | 604,914 | 1,037,001 | 1,641,915 | 3,457 |
| SERO/PCPO PENSION FUNDING | 5,100,000 | 3,200,000 | 8,300,000 | 17,474 |
| POST RETIREMENT MEDICAL INSURANCE | 3,687,848 | 2,357,804 | 6,045,652 | 12,727 |
| POST RETIREMENT LIFE INSURANCE | 149,465 | 95,559 | 245,024 | 515 |
| RETRAINING | 1,513,000 | 3,126,327 | 4,639,327 | 4,088(2) |
| DONOR SITE RELOCATION ASSISTANCE | <u>74,000</u> | <u>126,000</u> | <u>200,000</u> | <u>421</u> |
| TOTAL COSTS | <u>\$12,793,028</u> | <u>\$20,756,378</u> | <u>\$33,549,404</u> | <u>\$64,950</u> |

(1) TOTAL COST DIVIDED BY 475 SEPARATED EMPLOYEES

(2) ESTIMATED AVERAGE COST PER EMPLOYEE FOR RETRAINING IS BASED ON 1135 EMPLOYEES

NOTE: FY 1994 COSTS ARE BASED ON SEPARATION OF 175 MMSC EMPLOYEES

FY 1995 COSTS ARE BASED ON SEPARATION OF 300 MMSC EMPLOYEES

ASSUMPTIONS

- Number of RIF employees based FY 1994 production termination.
- Estimates consistent with a RIF of 175 employees in 1994 and 300 employees in 1995.
- Annual salary of approximately \$40K in FY 1994 and \$42K in FY 1995.
- Average service years = 14
- 60 day Notice Pay for Involuntary RIF personnel
- 75% of RIF population eligible for two weeks plant closing severance pay for each year of service; 25% eligible for 1 1/2 weeks of plant closing severance pay.
- Health insurance costs increase by 15% per year; full COBRA (extended medical) coverage in first year, 50% coverage in 2nd year.
- Employees with at least 25 years of service under 50 years of age receive 50% medical coverage until age 65.
- A total of 70 SERO eligible and 151 PCPO eligible will be RIFed during FY 1994 AND FY 1995.

TRAINING PLAN TO SUPPORT WORKFORCE RESTRUCTURING

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TRAINING PLAN TO SUPPORT WORKFORCE RESTRUCTURING

TRAINING/RETRAINING BACKGROUND AND PURPOSE

This initiative has been developed to facilitate accelerated consistent development and implementation of work force retraining programs using in-house, local university, community college and vocational training resources. This plan identified strategies to assist the current Martin Marietta Specialty Components (MMSC) workforce during the consolidation and downsizing processes. When implemented, MMSC employees will be transitioned from current production oriented assignments to environmental safety, and health positions, to other opportunities outside MMSC, or to new business opportunities as they are created through plant conversion efforts.

The recommendations included here are training interventions to help minimize the impact of downsizing, assist in the transition of operations, and support affected employees. At MMSC, the goal of this effort is to:

- ✓ Provide opportunities and assistance for career development
- ✓ Enhance basic skills as needed
- ✓ Provide training for new positions in environmental management
- ✓ Prepare employees for a job search
- ✓ Increase job opportunities
- ✓ Update and expand existing skill base

The plan to transition the Pinellas Plant from Defense Programs has been broken into seven major initiatives:

- ♦ Participate in a consortium with local business, government, trade schools, community colleges, universities and interfaces to other DOE sites
- ♦ Evaluate retraining requirements
- ♦ Acquire resources to support retraining efforts
- ♦ Establish processes and programs for implementation
- ♦ Obtain/develop program components
- ♦ Implement programs for workforce retraining
- ♦ Support placement of retrained workers

TRAINING PLAN TO SUPPORT WORKFORCE RESTRUCTURING

1.1. PARTICIPATE IN A CONSORTIUM WITH LOCAL BUSINESS, GOVERNMENT, TRADE SCHOOLS, COMMUNITY COLLEGES, UNIVERSITIES AND INTERFACES TO OTHER DOE SITES

The foundation activity for the whole initiative is to develop partnerships with education, government and industry. The ability to share resources and create programs that integrate these groups is critical to the effectiveness of the entire process. The result of their combined effort has the potential to fundamentally impact worker training and retraining philosophies and process.

Resources from identified organizations like University of South Florida (USF) St. Petersburg Junior College (SPJC) and Pinellas Technical Education Center (PTEC) will be needed to help identify, establish and share programs to support conversion activities. Since cooperative efforts are in process with several organizations, this network will be expanded. Additional resources in the local business community and representatives of local government agencies will be identified and contacted. Representatives from the identified institutions will help ensure that resources existing within the local community as well as the DOE (Department of Energy) Complex are integrated and shared. The committee will help guide program development, identify and develop resources, establish mechanisms for coordination and programmatic review and evaluation.

1.2. EVALUATE RETRAINING REQUIREMENTS

Initially, individual job requirements and job market must be identified. Jobs addressed in this process will include any positions required by Pinellas Plant, those of interest to individuals, and those in demand within industry. Once individual need and job opportunities are identified, support mechanisms and programs can be established to address these needs.

1.2.1. INTERNAL JOB REQUIREMENTS

MMSC will initiate the identification of site retraining requirements with support from members of the partnership. With emphasis on environmental management, areas will include: environmental restoration (characterization and remediation), deactivation and decommissioning, surveillance and maintenance. Other areas, such as those to support plant conversion activities, will also be analyzed. The results of the analysis will identify prerequisites, certifications, qualifications, on-the-job and off-the-job training requirements.

TRAINING PLAN TO SUPPORT WORKFORCE RESTRUCTURING

In addition to identifying required positions, MMSC will also categorize positions that will be eliminated. These positions and the anticipated elimination schedule are a critical factor for the planning process. To ensure that timely interventions are provided, the workforce will be identified by those individuals who will be:

- ✓ Eliminated by reductions in production schedules.
- ✓ Required for environmental management support.
- ✓ Eliminated by the end of Defense Programs activities.
- ✓ Transferred to receiver sites.
- ✓ Supporting plant conversion opportunities.

These categories will help determine the priority and, in some cases, the type of training required.

1.2.2. INDIVIDUAL TRAINING NEEDS

Once the plant population is characterized, resources to assist employees in evaluating their options will be established. Skill, aptitude, interest and career assessments will be available to identify strengths and weaknesses of the employees at risk. Employees with identified deficiencies will be provided remedial training and tutoring as needed to upgrade their skills. Feedback from the aptitude, interest, and career assessment will also be used to identify potential placement opportunities for career planning, counseling and job placement.

1.2.3. RESOURCE VERSUS JOB REQUIREMENTS EVALUATION

The plant population will be evaluated to determine those individuals who will be retained to support the environmental mission and those who will be re-deployed. Educational background and job history as well as training profiles and records will be evaluated. Potential opportunities will be identified so that individuals can indicate their interest as well. Once selected, any additional training required by the retained employee will be identified and a plan developed to ensure that all deficiencies are addressed.

TRAINING PLAN TO SUPPORT WORKFORCE RESTRUCTURING

1.2.4. EXTERNAL CAREER AND JOB OPPORTUNITIES

Identification of external requirements will be completed with support from members of the partnership. A market analysis will be conducted to determine potential career opportunities (current and future) within the local community and industry. MMSC will work closely with Martin Marietta Corporation and other sites within the DOE Complex to help identify opportunities and needs that may exist within their organizations. This market data will be used to develop retraining programs so at risk individuals can obtain skills that are in demand, thus increasing their marketability. These activities will be on-going to support the re-deployment of plant personnel. Re-deployment may be a result of product lines transferred or canceled; the transition to environmental management, and identification of conversion opportunities. Initiating this activity early in the process will help minimize extensive outplacement costs in the out years.

1.3. ACQUIRE RESOURCES TO SUPPORT RETRAINING EFFORTS

Identification and evaluation of resources provided by the partnership will assist MMSC in establishing programs to meet the needs of the plant population. Throughout this activity emphasis will be placed to ensure that MMSC's requirements will be integrated into requirements and resources of other sites within the Complex so that resources can be shared.

In addition to very specific programs, resources to support educational foundations will also be made available to ensure a highly competitive and marketable workforce. Based on the objectives of this effort, the next page identifies the anticipated services that will be implemented:

TRAINING PLAN TO SUPPORT WORKFORCE RESTRUCTURING

| Strategy | Goal | Potential Resources |
|---|--|---|
| Skill, aptitude, and interest assessments Career counseling and planning resources Financial assistance Flex time | Provide career opportunities and assistance for career development | Employee Assistance Program (EAP) Academic institutions State and federal services, such as the Pinellas Private Industries Council Specialized businesses |
| Basic skill assessment and remediation | Enhance basic skills as needed | Pinellas County School System State and federal programs College preparation program via St. Petersburg Junior College (SPJC) |
| Degree, certification and qualification programs | Provide training for new positions in environmental management | University of South Florida (USF) via distance learning network SPJC Pinellas Technical Education Center (PTEC) |
| Job search training, job support services | Prepare employees for a job search | State and Federal services, Specialized businesses |
| Personal improvement (interpersonal skills, communication, writing) | Increase job opportunities | Specialized business Educational institutions |
| Job network (corporate, complex, industry, local businesses) Job training (resume writing, self-employment, interviewing, etc.) Placement opportunities via job fairs, etc. | Job identification and placement support | Specialized business MMSC and corporate |
| Technical skills development and enhancement including cross-training via OJT, certification and licensing programs as well as seminars and workshops | Update and expand existing skill base | USF via distance learning network (FEEDS & BATEC) SPJC PTEC Specialized business |

Resources will be identified to support enhancement of these areas so that individuals maintain, enhance, and update their skills. This training will be available to all employees with priority to those who have the most immediate needs. In addition to upgrading the skills of the

TRAINING PLAN TO SUPPORT WORKFORCE RESTRUCTURING

workforce, this initiative will also help retain adequate resources so that critical skills will be retained.

1.3.1. BASIC SKILL ASSESSMENT AND REMEDIATION

The MMSC basic skills program (People Ensuring Progress) will be expanded. Currently, the program uses resources from SPJC and the Pinellas County School System. Since the inception, enrollment has steadily increased and the program has been expanded to include computer literacy. As more individuals are retrained and re-deployed the demand for these program will increase.

1.3.2. SKILL, APTITUDE, AND INTEREST ASSESSMENT AND CAREER COUNSELING AND PLANNING

It is anticipated that assessment resources will be acquired to determine an individual's capabilities, potential, and interests. Career counseling and planning services will be made available along with support systems for specific programs such as study groups and mentors. Existing services, like the EAP can be expanded to address specific personal needs such as stress management, coping with change, etc.

1.3.3. FINANCIAL ASSISTANCE

MMSC's tuition reimbursement program will be enhanced to allow for more flexible distribution of funds. In addition, other funding sources, such as community assistance and educational scholarships, will be investigated.

1.3.4. COLLEGE PREPARATION AND PROFESSIONAL DEVELOPMENT PROGRAMS

Available academic resources for specific course, degree, and certificate programs will be surveyed to include college, community college, vocational and other institutions. Professional certification and licensing programs will also be reviewed and incorporated into the plan. Cooperative efforts with education institutions will be used to establish retraining programs that will address the demands of the workforce.

Other alternatives, such as internships/co-ops, alternative delivery methods (distance learning, self-paced and computer-based programs) will be integrated where

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appropriate. Educational resources available from state and other educational institutions such as SPJC and USF will be used whenever possible. Identification of specific career programs, like the Secretarial Program implemented by MMSC, will depend on the needs of the audience; however, programs similar to this will be anticipated.

1.3.5. JOB IDENTIFICATION AND PLACEMENT SUPPORT

Initiating job support activities early in the process will be beneficial to both employees and MMSC. Indications from recent retention analysis efforts identify this as an effective option to ensure that the resources to meet the plant mission will be available. Several strategies can be implemented. As with all activities, support from external organizations will be instrumental to the success of the effort.

Resources within Martin Marietta, the DOE Complex, state and federal organizations, educational institutions and the local business community will be used to create a network for job opportunity identification and placement. Activities, such as a job network, career and job fairs, and placement support must be planned and implemented as quickly as possible.

1.3.6. PERSONAL IMPROVEMENT

A major theme of the retraining effort is to enhance skills that are prerequisites to any job. Focusing on foundation skills will enhance marketability and increase an individual's opportunities. Skills such as interpersonal communications, technical writing, and project management will be made available.

1.3.7. TECHNICAL SKILLS DEVELOPMENT/ENHANCEMENT

A variety of strategies will be used depending on the specific requirements. Although site-specific needs for cross-training or skills update will be developed internally, they may be integrated with external programs. Other resources within college, community college, vocational and other institutions will be evaluated to determine the strategy and resources that best address the needs. The focus of these activities will be on maintaining and enhancing the technical skills of an individual.

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1.4. ESTABLISH PROGRAMS AND PROCESSES FOR IMPLEMENTATION

The decision on which programs and services to implement will be based on a matrix of assessment results, individual needs, and business requirements. Determining how to implement these programs requires careful planning. Both accessibility and financial support issues will be addressed. Existing programs like University of South Florida's Florida Engineering Educational Delivery System (FEEDS) may be used to bring other programs to the workforce. Current systems in place, such as tuition refund will be reviewed to ensure that they will support retraining efforts. Allowing workers to use flex time to take training during working hours when practical and providing easy access to the programs should also be integrated into the program.

During the planning phase, processes for training employees, facilities required, recommended training time frames, as well as communication strategies will be determined. It is anticipated that resources and input from organizations in the consortium will be integrated with existing plant resources.

1.5. OBTAIN/DEVELOP TRAINING COURSES AND COMPONENTS FOR ESTABLISHED PROGRAMS

As programs are established, they will be tailored as necessary for the audience and for the site. Every effort will be made to ensure that training opportunities are flexible and accommodate the adult learner. For this reason, self-instructional resources that address generic skills will be acquired. Programs supporting specific retraining needs that require development or augmentation will be revised. Any programs requiring qualification, OJT or other site-specific training will be developed using internal resources. As new programs are established, resources available through partnerships and those established through other sites will be integrated to maximize use of existing resources. Every effort will be made to use existing programs in existence and tailor only as needed.

1.6. IMPLEMENT PROGRAMS FOR WORKFORCE RETRAINING

The final step will be to implement Programs for Workforce Retraining. This process includes setting up the programs to support the identified needs. Coordinating scheduling, managing delivery, documenting participant activity and supporting instructor and class evaluation will be required to varying levels for each program. Logistics associated with this effort will require both internal and external support.

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Centralized points of contact will be established for each major program and service. These contacts will be responsible for communicating, establishing support systems, monitoring trainee progress, and making adjustments to the program as needed, as well as maintaining the program.

In addition to the programs other mechanisms to support this effort will be enhanced. Currently MMSC has facilities for computer-based training. Expanding this capability so that other training resources are available to the workforce will provide a flexible environment and will be a cost-effective training delivery method:

1.7. SUPPORT PLACEMENT OF RETRAINED WORKERS

Placement activities, as mentioned earlier, will be ongoing. This will give MMSC more latitude to support the re-deployment of workers. Other benefits in terms of individual needs will also be realized with this strategy. Once workers have been retrained, assistance will be provided to help them find placement internally or externally, if no internal positions exist.

SUMMARY

This plan identifies the goals and objectives of the retraining effort. Resources and interventions to address these objectives, and a description are also included. The key issues to accomplishing this plan are:

- ✓ Identifying and receiving funding
- ✓ Implementing programs and services as quickly as possible
- ✓ Obtaining and leveraging resources

The components of this plan address issues identified during an analysis of retention issues. The results clearly identified training as a key issue that can impact the career direction and job opportunities available to an individual. A retraining plan that addresses an individual's professional and personal needs as well as business drivers is critical to ensuring that the impact of the downsizing is minimized, operations are smoothly transitioned and affected employees are supported.

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HIGH LEVEL INITIATIVE ASSUMPTIONS:

- Internal subject matter expertise for development and delivery is not included in labor estimates.
- External subject matter expertise for development and delivery will be purchased as part of a course or program.
- Assessment activities and program resources will require services of external resources, such as SPJC, PTEC and USF.
- Funding approval must be received one month prior to initiation of the activity. If the program is not initiated by October 1, 1993 then scheduled activities will be delayed.
- Existing labor for plant training activities is required to support existing plant-wide initiatives including compliance issues and department technical training needs. Additional resources will be required to support the retraining activities outlined in this estimate.
- Space and associated costs to support identified needs will be determined once the requirements analysis is completed.
- It is assumed that approximately 800 individuals will take advantage of at least one program.
- Tuition reimbursement costs are based on an average of cost projections for the next three years.
- Preliminary cost projections for subsequent years (1997, 1998 and 1999) are estimated at \$1,300 per person and are based on the total number of DOE funded employees. Costs for 1997 are approximated at \$725,000, \$615,000 for 1998 and \$512,000 for 1999.
- Existing professional development programs are estimated under a separate planning activity. Costs outlined here are in addition to existing programs.
- Training activities and resources to support receiver site training for consolidation are not included in these estimates.

TRAINING PLAN TO SUPPORT WORKFORCE RESTRUCTURING

REIMBURSEMENT CONTROLS FOR EDUCATION AND RETRAINING EXPENSES

Employees terminated or to be terminated for Plant Closing will follow the guidelines below:

- Up to \$5,000 of eligible tuition expenses may be reimbursed for approved course work which qualifies employees for jobs outside the Company, new business or EM work.
- Approved course work may begin after a general announcement of plant closing.
- Courses must be completed within three years of termination for plant closing.
- Eligible expenses include tuition, books and fees not covered by scholarship or other government programs.
- Must receive a passing grade.
- Course work taken while employed which enhances current job skills is reimbursed through normal tuition refund programs.
- Source of reimbursement funds will be determined at the time of application and approval (i.e. operating funds, 3161, Pinellas Private Industry Council, other).
- Courses are usually to be taken outside normal working hours. Under unusual circumstances, other options may be considered such as short work weeks, flex time, make up hours, etc.
- All employees are considered eligible for 3161 funded reimbursement unless they have accepted other comparable employment.
- Employees enrolled in courses which began on or after September 8, 1993, and which qualify under section 3161, will be eligible for reimbursement.
- Once employees have been trained for one occupational change or job opportunity, they will not be retrained.

RETRAINING ACTIVITY SUMMARIES

Background

Pinellas Plant drafted the retraining section of the Workforce Restructuring Plan in July 1993. Martin Marietta Specialty Components (MMSA) management as well as representatives of the Employee Facility Conversion Team (EFCT) provided feedback to ensure that the plan addressed employee needs. PAO submitted the training plan to the Albuquerque Operations Office in July 1993. Revisions were made and the plan was reviewed by Albuquerque and submitted to DOE Headquarters in December 1993. DOE approved the plan in December 1993. The Pinellas plant received funding for the plan at the end of January 1994.

Retraining Activities

The plant determined that retraining activities, especially in light of the changes in the plant closing schedule, were critical. PAO and MMSA have emphasized this area since the December approval. The plan contains the high level tasks required to meet the goal of assisting in transitioning employees to alternative careers. Implementation of these tasks and the specific activities required began in December 1993. Below is a summary of the activities implemented by the M&O contractor through March 1994.

- Provided training organization representation for an employee involvement team, the Employee Facility Conversion Training Subcommittee, to obtain employee input into retraining activities
- Developed a survey instrument and obtained data to assist Pinellas Private Industry Council in obtaining funding from the Department of Labor and determine training priorities and resource allocation
- Established an educational consortium with representatives from the local community to integrate resources, provide lessons learned and give input into retraining activities.
- Identified and established a network of potential funding resources via SPJC Grants department, MMSA proposal development and Defense Conversion Taskforce. This network will be used and expanded to continue the search for alternative funding sources.
- Developed policies and procedures to implement retraining activities specifically in the areas of tuition refund and attendance.
- Expanded capability to offer on site courses through St. Petersburg Junior College and the University of South Florida.
- Initiated programs in a variety of areas, based on survey feedback. Financial planning, starting your own business and job search strategies programs will be expanded and offered on an as needed basis.
- Created a statement of work to obtain retraining resources for near-term career counseling activities and long-term job networking support.
- Provided a seminar on community options to provide employees information on Job Services, Unemployment, Pinellas Private Industry Council and job market statistics.
- Provided a decision analysis workshop to assist in helping employees make career and job decisions.

RETRAINING ACTIVITY SUMMARIES

Alternative Funding Sources

MMSC started investigating into other sources for retraining funding in December 1993 with the Pinellas Private Industry Council (PPIC). To obtain funding from the Department of Labor (DOL), specific employee data was required. PPIC along with Martin Marietta (human resources, training, and the training subcommittee of EFCT) developed a survey instrument to obtain the necessary data. MMSC also provided additional data as required to PPIC to ensure that their request to DOL was complete. Upon discussions with DOL; however, they feel that support will only be available for areas not funded under the retraining activities approved by DOE. Efforts continue with PPIC to identify other sources and ways of obtaining DOL funding.

Several proposals with retraining implications have been completed and submitted to obtain funding for retraining activities. MMSC completed these efforts in a partnership with both the University of South Florida and St. Petersburg Junior college. Both institutions as well as the internal MMSC proposal group are constantly exploring potential funding sources and are looking into alternate sources to support retraining activities.

An Educational Consortium of local educational resources and institutions was established to assist in retraining initiatives. This group serves as a network to help MMSC identify alternative funding sources. Representatives from private and public academic institutions along with Job Service, PPIC, and private businesses meet monthly to review retraining status, share lessons learned, support MMSC retraining activities, and work to identify additional resources.

Discussions are ongoing with the Community Defense Conversion Taskforce to assist MMSC in identifying alternative funding sources. As opportunities are identified they are communicated through representatives on the educational consortium.

RETRAINING ACTIVITY SUMMARIES

Retraining Expenditures

Costs are controlled using the plant budget management system. The activities identified in the plan have been broken down into four major categories to track costs. Retraining planning, implementation activities are identified as well as retraining tuition refund, outside services and other non-payroll costs. Below is a summary of the costs incurred through February, 1994.

| | |
|-----------------------------|-------------|
| Retraining Planning | \$4,061.04 |
| Retraining Implementation | \$3,631.40 |
| Retraining Tuition Refund | \$58,067.16 |
| Retraining Outside Services | 0 |

MARTIN MARIETTA
Specialty Components, Inc.

**SUBJECT VOLUNTARY REDUCTION
IN FORCE PROCEDURE**

**STANDARD OPERATING
PROCEDURE**

Pinellas Plant

**TAB
SOP**

**PROCEDURE
E.1.04-1**

1.0 PURPOSE

This document establishes guidelines and responsibilities for administering a Voluntary Reduction-In-Force procedure at the Pinellas Plant.

2.0 SCOPE

This procedure applies to all Martin Marietta Specialty Components, Inc. (Specialty Components) employees.

3.0 REFERENCES

GOP E.1.04, Employee Reduction-In-Force due to Plant Restructuring

4.0 GENERAL

The Voluntary Reduction-In-Force Program will be open to employees from all classifications (i.e., exempt and nonexempt) whose positions can be eliminated, or backfilled, with limited training, by other plant employees.

Applications for voluntary reduction-in-force will be accepted from an employee identified as critical to meeting or completing the DOE mission only if:

- a replacement is found and made available, or
- a reasonable alternative way of completing the mission has been identified and implemented.

The effective date of voluntary separation from employment (last day worked date) for an employee participating in the voluntary reduction-in-force may be extended if:

- a replacement has been found but is not immediately available, or
- a reasonable alternative way of completing the work has been identified, but not yet implemented.

The decision to extend the last day worked is determined solely by management.

Employees participating in the voluntary reduction-in-force will receive benefits as defined in the contract, Benefits Guide, and Benefits Plan Documents.

Any employee whose job can be eliminated will be eligible to volunteer for the voluntary reduction-in-force and receive plant closing benefits for which they are eligible.

APPROVED BY
Presidents Staff

REVISION DATE
04/13/94

SUPERSEDES
NEW

PAGE
1 of 2

5.0 RESPONSIBILITY

ALL EMPLOYEES

Submit or withdraw applications for a voluntary reduction-in-force as provided in the voluntary reduction-in-force announcement.

MANAGERS/SUPERVISORS

Review voluntary reduction-in-force applications and accept, reject, or extend them at manager's discretion based on business needs. Consider the skills required to complete the remaining work, and to avoid significant disruption to production and other customer requirements. Forward original voluntary reduction-in-force applications to Human Resources.

Issue written notification in conjunction with Human Resources to employees regarding the status of their applications for voluntary reduction-in-force. If there are more volunteers than are required, longer service employees with relatively equivalent skills within identified classifications shall receive preference.

DIRECTORS

Along with the Director-Human Resources, and in cooperation with other affected Directors, review and recommend all proposed voluntary reduction-in-force actions.

HUMAN RESOURCES

Provide guidance on this procedure and all applicable laws and regulations, as required, and maintain appropriate documentation. Maintain all original voluntary reduction-in-force applications for filing in a central location.

Review all voluntary reduction-in-force selections to ensure consistency with and adherence to Specialty Components policy as well as compliance with State and Federal regulations.

Work with management to coordinate effective dates and timing, and to prepare general announcements.

Conduct exit interviews.

Collect all originals of voluntary applications for filing in a central location.

PERSONNEL ACCOUNTING, BENEFITS & BANKING

Determine the appropriate benefit available for each affected employee.

Counsel employees on benefits and ensure appropriate administration of benefits.

GENERAL COUNSEL/EQUAL EMPLOYMENT OPPORTUNITY/MEDICAL/SECURITY

Participate in Voluntary Reduction-In-Force procedure and provide guidance on and interpret applicable laws and regulations, as required.

APPENDIX C

MARTIN MARIETTA SPECIALTY COMPONENTS, INC. (Specialty Components)

Request for Voluntary Reduction-In-Force

Employee Name: _____

Badge Number _____

Job Title: _____

Level/Grade _____

Manager: _____

Unit No. _____

I request a voluntary reduction in force in consideration of payments and benefits which were described to me. I understand and recognize the following conditions will apply:

1. The effective date of my voluntary separation from employment (last day worked) will be determined solely by management.
2. I will receive my authorized notice or pay in lieu of this notice.
3. I will be eligible for pension, SERO and/or other applicable benefits for which I am qualified.
4. I will not be eligible for recall rights. My eligibility for rehire is subject to the applicable policies and procedures of Specialty Components in effect at that time.
5. I may withdraw this request at any time prior to the announced deadline for filing this request.
6. My volunteering or not volunteering will have no influence on business decisions which may or may not affect my future employment.
7. My request will be accepted or rejected at the sole discretion of management based on the ability to retain people with the skills to complete the remaining DOE work and avoid hiring replacement requests externally.

This decision is completely voluntary and without reservation on my part. I have not been urged to make this decision against my will by anyone at Specialty Components.

Employee Signature _____

Date _____

PLEASE RETURN COMPLETED FORM TO YOUR DIRECTOR.

I, _____, certify that I have received this form
Director's Signature

on _____
Date